

**GOVERNMENT OF TELANGANA
ABSTRACT**

The Telangana Value Added Tax Act, 2005 – Appeal filed by Goa Antibiotics and Pharmaceuticals Ltd., Goa State, for reassessment, relief and concession with regard to various demand notices issued by the Commercial Tax Officer, Musheerabad circle – Request for waiver of penalty – Orders - Issued.

REVENUE (COMMERCIAL TAXES-II) DEPARTMENT

G.O.RT.No. 403

Dated:31-08-2015.

Read the following:-

1. Representation of MD, Goa Antibiotics & Pharmaceuticals Ltd., Goa State, dt:30.10.2010.
2. From the Hon'ble Chief Minister, Goa State, D.O.Lr.No.CM/2010/15548, dt:10.11.2010 addressed to the Hon'ble C.M., AP.
3. Govt.Memo.No.56294/CT.II(1)/2010-1, dt.7-12-2010.
4. From the CCT, Ref. No.DMU/F5/11/2010, dt.27-03-2015.
- 5.From the Hon'ble Chief Minister, Goa State, D.O.Lr.No.C1/5/2015-CM/219, dt:5.6.2015 addressed to the Hon'ble C.M., Telangana

ORDER:

In the reference 1st read above, the Managing Director, Goa Antibiotics & Pharmaceuticals Ltd., jointly owned by the Government of India and Government of Goa, has filed an appeal before the Government stating that the Company manufacture life saving drugs and was having its sales depot at Secunderabad and the company was supplying drugs and medicines to the Government Institutions in the combined State of Andhra Pradesh. During the year 2006, the Commercial Tax Officer, Musheerabad conducted inspection in the said depot and found certain discrepancies in the sales record. Accordingly, Assessing Authority have done the assessment of the tax for the periods 1999-2000 to 2004-2005 under the APGST Act, and it was found that during the period 1999-2000 to 2004-2005, the tax due by the M/s Goa Antibiotics & Pharmaceuticals is (I.e. APGST+ CST) Rs.55,49,479/-, and also the company is liable for penalty of Rs.3,02,59,405/-(i.e., five time of the tax due raised on inspection). Hence, the MD, Goa Antibiotics & Pharmaceuticals Ltd. has requested to re-assessment of the dues for crystallizing the sales tax dues, if any and waive all the liquidated damages, interest, penalties etc., as the firm is Sick Unit under BIFR.

2. In the reference 2nd read above, the Hon'ble Chief Minister, Goa State has stated that Goa Antibiotics & Pharmaceuticals Ltd. is a Public Sector Enterprise of Government of Goa and the unit is in the backward Taluka in the State of Goa at Tuem, Pernem and 220 families are depending on the unit. Goa Antibiotics & Pharmaceuticals Ltd. is Sick Company and registered with Board for Industrial and Financial Reconstruction (BIFR). He has therefore requested the Government of Telangana for waiver of penalty, interest and re-assessment of the Sales Tax demand of the Goa Antibiotics & Pharmaceuticals Ltd. for the period 1999-2000 to 2004-2005.

3. In the reference 4th read above, the Commissioner, Commercial Taxes, Telangana State, Hyderabad has recommended to waive the penalty of Rs.3,02,59,405/- and take appropriate decision on the payment of the balance basic tax of Rs.55,49,479/- and as well as payment of interest of Rs.32,40,027/- in the matter.

4. Government, after careful examination of the matter and keeping in view of the circumstances stated by the Hon'ble C.M., Goa State, and hereby decide to waive the penalty amount of Rs.3,02,59,405/- levied, as the dealer already paid the basic tax of Rs.54.00 lakhs (Actual tax already realized is Rs.62,76,280). Government also decided to levy the interest rate @ 1.2% as per the provisions of VAT Act, for interest on basic Tax.

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5. Accordingly, Government hereby order to waive the penalty amount of Rs.3,02,59,405/- levied on the Goa Antibiotics & Pharmaceuticals Ltd., jointly owned by the Government of India and Government of Goa, as the dealer already paid the basic tax of Rs.54.00 lakhs (Actual tax realized is Rs.62,76,280). However interest rate @ 1.2% as per the provisions of VAT Act, on the basic tax shall be levied and collected from the firm.

6. The Commissioner of Commercial Taxes, Telangana State, Hyderabad shall take further necessary action in the matter accordingly.

7. This order is issues with concurrence of the Finance (EBS-VII) Dept. vide their U.O.No.10200/425/EBS-VII/2015, dt:21.08.2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**AJAY MISRA
PRINCIPAL SECRETARY TO GOVERNMENT**

To:

The Commissioner of Commercial Taxes, Telangana State, Hyderabad

Copy to:

The Managing Director, Goa Antibiotics & Pharmaceuticals Ltd., Public Sector
Enterprise of Government of Goa & Govt. of India, Registered Office & Factory:
Near Tuem Industrial Estate, Tuem, Pernem, Goa State

The P.S. to the Hon'ble Chief Minister, Govt. of Goa, Minister's Block, Secretariat
Complex, Porvorim, Goa, India – 403521.

The P.S. to the Principal Secretary to Hon'ble Chief Minister, Govt. of Telangana

The P.S. to the Hon'ble Minister (Commercial Taxes & Cinematography).

The P.S. to Principal Secretary (CT), Revenue Department.

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// FORWARDED :: BY ORDER //

SECTION OFFICER